

## **Coca-Cola Ltd. 2023 Report in compliance with the “Fighting Against Forced Labour and Child Labour in Supply Chains Act”**

This report is provided by Coca-Cola Ltd. (CCL), a Canadian corporation and indirect subsidiary of The Coca-Cola Company (TCCC, together referred to as **the Company**), for the calendar year 1 January to 31 December 2023 pursuant to its obligations under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

Respect for human rights is fundamental to the Company as we are committed to ensuring that people connected to our supply chain are treated with dignity and respect. The Coca-Cola Company’s global Human Rights Policy, Supplier Guiding Principles and Principles for Sustainable Agriculture prohibit the use of child labour as well as all forms of forced labour, including prison labour, indentured labour, bonded labour, military labour, slave labour and any form of human trafficking (“forced and child labour”).

In evaluating our supply chain, we identified agricultural commodity inputs and geographical corridors with high rates of migrant workers as potential risk areas. We continue to be committed to working with our system, supply chain, peers and stakeholders to collectively address the issue of forced and child labour. This summary report outlines the Company’s overall structure and human rights due diligence approach, and an update on progress towards our commitments.

### **Structure, Activities & Supply Chain**

TCCC is a total beverage company with products sold in more than 200 countries and territories. CCL, as an indirect subsidiary of TCCC, markets, manufactures and sells beverage concentrates and syrups, and finished beverages in Canada (including sparkling soft drinks, water, sports, coffee & tea, juice, value-added dairy, and emerging beverages). The Company is committed to sustainably sourcing its materials for such concentrates, syrups and beverages in compliance with our global policies and principles stated in this report. CCL bottles and distributes select products independently through The Minute Maid Company Canada Inc. (TMMC), a wholly owned subsidiary of CCL, and works directly with our independent local bottling partner, Coca-Cola Canada Bottling Limited, for bottling and distributing other products within CCL’s beverage portfolio. CCL imports and exports select brands of finished products either to or from the United States (U.S.) for subsequent sale. For instance, TMMC exports frozen, chilled and aseptic products which are shipped either directly to TCCC customers or warehouse locations in the U.S., while CCL imports Smartwater® and BODYARMOR® to be made available for sale in Canada.

The Company does not own, manage or control most local bottling partners. The Company and its bottling partners are collectively known as the Coca-Cola system. Together, the system employs more than 700,000 people, helping bring economic opportunity to local communities worldwide.

CCL’s head office is located at 335 King Street East, Toronto, Ontario, Canada. As of December 2023, it employs approximately 320 staff.

CCL and TMMC, as members of the TCCC group of companies, adhere to various policies, procedures, and practices set by their parent company TCCC. The activities, policies, and programs described in the subsequent sections apply to both CCL and TMMC.

## **Policies & Principles**

The Company's [Human Rights Policy](#), [Supplier Guiding Principles](#), and [Principles for Sustainable Agriculture](#) prohibit the use of forced and child labour. The Human Rights Policy applies to Company-owned and controlled operations worldwide and clearly articulates our corporate commitment to respect human rights in our own operations. The Supplier Guiding Principles (SGP) apply to our direct tier one supplier partners (suppliers of ingredients, packaging, and dispensing equipment) and independent bottlers, and align with our overall vision for respecting human rights. The Principles for Sustainable Agriculture (PSA) set expectations of our agricultural ingredient suppliers beyond tier one to help drive their continuous performance improvement. The PSA address sustainability challenges specific to agriculture and are founded on principles to protect the environment, uphold human and workplace rights and help build more sustainable communities. Together these policies are designed to establish a strong and cohesive foundation for the business globally.

The SGPs are embedded into contractual agreements and purchase orders between the Company and all direct suppliers. The Company expects partners and suppliers to develop and implement appropriate internal business processes to ensure compliance with the SGPs. We monitor the implementation of our SGPs by utilising independent third parties to assess supplier and bottler compliance (see section Monitoring & Evaluation).

Our policies and practices align with the United Nations Guiding Principles (UNGP) on Business and Human Rights. TCCC has publicly supported the UNGP on Business and Human Rights from their inception. We continue to focus on all components deemed necessary in a corporate context outlined under the UNGPs.

This framework is the foundation of our policies and programs related to human rights. We continuously strive to demonstrate our commitment through our sustainability and community initiatives, as well as our efforts to identify and remedy human rights impacts.

## **Due Diligence Processes and Remediation**

### ***Independent Audits***

Identifying, preventing and mitigating human rights impacts, including forced and child labour, is a critical aspect of our program. As part of this ongoing due diligence the Company utilizes independent onsite third-party audits to verify compliance with our policies. Each year, TCCC facilitates more than 2,000 third-party audits of Company locations, franchise bottlers and direct suppliers, and has facilitated more than 40,000 third-party audits since the audit program began in 2003.

Onsite assessments include document review, facility walkthrough, meetings with management as well as confidential interviews with employees and onsite contract workers. Our audit guidelines require auditors to select employees from different production lines and duties within the facility, employees of different genders, ethnic or religious backgrounds. Protection of the workers in the process is of utmost importance. Worker participation in interviews is voluntary, and the interviews are strictly confidential with no reference to the employee's name when findings are disclosed to management. Interviews are conducted in a private location that guarantees separation from management influence.

If a Company, supplier or bottling partner facility fails to uphold any aspect of the audit requirements, implementation of corrective actions is required within an agreed-upon time frame. Any serious non-compliance is managed by the regional team lead and escalated, as needed, to the global level for further action. Corrective action plans should include a root cause analysis, the actions to be taken to prevent future non-compliance and the assignment of a person responsible for implementation. These corrective action plans are tracked and require an in-person or remote re-audit to determine if improvement has occurred. Generally, follow-up assessments occur within six months and if serious non-compliances are identified, a re-audit is scheduled after a year to ensure compliance is sustained.

The Company reserves the right to terminate an agreement with any supplier unable to demonstrate compliance with our SGP requirements.

### ***Access to Remedy***

The Company is determined to empower our employees to do the right thing, and we have therefore created a comprehensive system of reporting grievances. Company employees are provided multiple internal mechanisms to report violations of Company policy or law. The Company provides third-party services to allow employees and workers in the supply chain to report violations in multiple languages via KOethics.com 24 hours a day (the "Ethics Line").

The Ethics Line is a global web and telephone information and reporting service. Telephone calls are toll-free, and the Ethics Line is open 24 hours a day, seven days a week, with translators available.

Resolving abuses can be very complex, requiring a comprehensive approach that includes cooperation with NGOs, local government and other organizations, but we are always determined to resolve them.

Access to remedy is a critical element of our human rights program. Where we have caused or contributed to forced or child labour, we seek to remediate or engage with suppliers to remediate. Our remediation efforts to date have not identified any confirmed instances of lost income for vulnerable families and, therefore, no corrective actions have been sought.

## **Forced & Child Labour Risks**

Certain sectors of the business and geographical areas run a higher risk of employing workers who may be vulnerable to the risk of forced labour. For example, certain geographical areas tend to employ migrant workers, who are at higher risk of forced labour as they can often be trapped by debt or have their government paperwork withheld. Auditing firms are therefore required to look more closely at topics like:

- Recruitment process to ensure workers are not charged fees.
- Ensure identity documents including passports, are not withheld.
- No inappropriate or excessive wage deductions.
- Overtime wage rates.
- Hours of work including maximum overtime hours and overtime wage rates.
- Summary of the living conditions, if applicable.
- Legalities regarding terminating employment.

The parts of our supply chain where we have limited visibility, notably agriculture, present the highest risk of child labour. We follow-up to ensure appropriate measures are taken to address any findings through direct remediation, supplier engagement and broader initiatives including bringing industry peers together to address systemic issues.

## **Raising Awareness and Employee Training**

The Company provides a series of human rights training sessions, informational videos, regional specific webinars and regular updates on human rights issues and developments for our employees worldwide, including senior managers across key functions such as procurement and sustainability. Upon hire, employees are also provided with our Code of Business Conduct, which holds each employee to a high ethical standard of integrity. These resources help to embed, at both the corporate and operating unit levels, a practical understanding of fundamental human rights, our human rights policies and programs, and how we as a company can improve respect for human rights within our own operations and throughout The Coca-Cola system and value chain. Our goal is a proactive approach to human rights, where our employees are empowered with the knowledge to make decisions that help advance the Company's human rights approach. In addition to educating our own employees, the Company conducts local training sessions for our suppliers and bottling partners, addressing our expectations of them and our audit program.

Geographies are deemed high risk for forced labour if SGP audits uncover specific indicators and/or if there is a large proportion of migrant workers. In these high-risk geographies, we conduct focused training on forced labour. These trainings cover requirements under the CGF priority principles, including no passport retention; no recruitment fees; and clear communication of employment terms prior to hire. Further training on forced labour –

designed and delivered by the Fair Labour Association – was rolled out as part of the CGF Human Rights Coalition for operations in high-risk geographies and covers the Priority Principles. Additional information about the coalition work is provided [here](#).

## **Ensuring Effectiveness**

### ***Measuring Progress***

Each year we publish metrics related to our human rights program in our Business and Sustainability report. Example metrics include the percent of direct suppliers that have demonstrated adherence to our SGPs through an independent audit and percent of our priority commodities certified to our Principles for Sustainable Agriculture. Together these metrics help measure the effectiveness of our due diligence and ensuring forced labour and child labour are not being used in our business or supply chains.

### ***Industry Collaboration***

As an active member of a number of industry and cross-sector initiatives, TCCC supports a collaborative approach to help eradicate forced and child labour. Our VP for Global Human Rights is the co-chair for The Consumer Goods Forum's Human Rights Coalition (HRC) workstream. A key element of this workstream has been working with the Fair Labour Association (FLA) to enhance due diligence and implement the Consumer Goods Forum's Priority Principles within our own operations. The Priority Principles on the eradication of forced labour are: 1) every worker should have the freedom of movement, 2) no worker should pay for a job, and 3) no worker should be indebted or coerced to work. The Coca-Cola Company endorsed the Priority Principles early on and integrated the guidelines into our supplier trainings and monitoring program.

TCCC has helped the HRC to drive action to implement effective Human Rights Due Diligence (HRDD) systems focused on forced labour in HRC members' own operations and support the development of responsible recruitment markets through capacity building.

TCCC has taken active leadership roles in a variety of industry initiatives related to eradicating forced labour. TCCC is a founding member of the Leadership Group for Responsible Recruitment which advocates for the "Employer Pays Principle." This business group works closely with international organizations, trade unions, and key NGOs such as the Institute for Human Rights and Business and Verité to eliminate all worker fees in recruitment, both in law and in practice. TCCC was appointed to the Steering Committee of the Responsible Labour Initiative (RLI) and is an active member of AIM-PROGRESS, a forum for peer consumer goods manufacturers focused on responsible sourcing. TCCC representatives sit on the Advisory Board, elected to co-chair of the Leadership Team and Human Rights working group as well as responsible recruitment workstream.

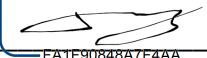
**Looking Forward**

We are committed to partnerships and collaborations, within and outside the Company, and to help advance human rights due diligence across our value chain. We aim to continue to innovate through new technologies, tools and partnerships to accelerate our progress on improving the lives of our employees, the workers in our value chain and the communities we serve.

This Statement was approved by the Board of Directors of CCL.

Yours sincerely,

Coca-Cola Ltd.

DocuSigned by:  
  
Signature \_\_\_\_\_  
FA1F90848A7F4AA...  
Name: Philip J. Cox  
Title: General Manager  
Date: \_\_\_\_\_

Authorized to Sign